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Security Council Committee established pursuant to resolution 1718 (2006)

Note verbale dated 21 April 2017 from the Permanent Mission of the Netherlands to the United Nations addressed to the Chair of the Committee

The Permanent Mission of the Kingdom of the Netherlands to the United Nations presents its compliments to the Chair of the Security Council Committee established pursuant to resolution 1718 (2006) and has the honour to refer to the Committee's note verbale of April 2017.

The Permanent Mission of the Kingdom of the Netherlands to the United Nations has the honour to submit to the Committee the requested report of the Government of the Kingdom of the Netherlands on the implementation of Council resolution 2321 (2016) (see annex).

The Permanent Mission of the Kingdom of the Netherlands would like to take this opportunity to reaffirm its commitment to providing any additional information that the Committee deems necessary or may request.

The Netherlands would appreciate if the present letter and its annex could be circulated as a document of the Security Council.

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Annex to the note verbale dated 21 April 2017 from the Permanent Mission of the Netherlands to the United Nations addressed to the Chair of the Committee

Report of the Netherlands on the implementation of Security Council resolution 2321 (2016)

Pursuant to paragraph 36 of Security Council resolution 2321 (2016), the Permanent Mission of the Netherlands to the United Nations has the honour to inform the Committee of the steps taken by the Government of the Netherlands to implement the measures imposed by resolution 2321 (2016).

The Netherlands was a sponsor of Security Council resolution 2321 (2016) and favours its swift implementation.

The implementation of United Nations sanctions is an autonomous competence of Aruba, Curaçao, Sint Maarten and the Netherlands, although the Kingdom of the Netherlands remains accountable under international law. Only the Netherlands is a member of the European Union.

Member States of the European Union implement the provisions of Security Council resolutions that fall within the scope of the competence of the European Union by means of the relevant European regulatory acts, comprising regulations, decisions and common positions of the Council of the European Union. The Netherlands and the other European Union member States have jointly implemented the restrictive measures against the Democratic People's Republic of Korea imposed by the Security Council in resolution 2321 (2016) through the following common measures:

(a) Council Decision (CFSP) 2016/2217 of 8 December 2016 amending Decision (CFSP) 2016/849, which implements the designation of additional persons and entities subject to a travel ban and an asset freeze;

(b) Commission Implementing Regulation (EU) 2016/2215 of 8 December 2016 amending Council Regulation (EC) No. 329/2007 concerning restrictive measures against the Democratic People's Republic of Korea;

(c) Council Decision (CFSP) 2017/345 of 27 February 2017 amending Decision (CFSP) 2016/849;

(d) Council Regulation (EU) 2017/330 of 27 February 2017 amending Regulation (EC) No. 329/2007 concerning restrictive measures against the Democratic People's Republic of Korea, which gives effect to the measures provided in Council Decision (CFSP) 2017/345.

Council Decision (CFSP) 2017/345 sets out the commitment of the European Union to implementing all the measures contained in resolution 2321 (2016) and provides the basis for accompanying measures specific to the European Union within the scope of the resolution, notably the following:

- Trade ban on nuclear- and missile-usable items listed in annex III to resolution 2321 (2016).
- Trade ban on items included in the new conventional arms dual-use list adopted by the Committee pursuant to paragraph 7 of resolution 2321 (2016).
- Ban on the leasing or chartering of vessels or aircraft, or the provision of crew services, to the Democratic People's Republic of Korea.

- Prohibition on registering vessels in the Democratic People's Republic of Korea, on obtaining authorization for a vessel to use the flag of that country and on owning, leasing, operating, providing vessel classification, certification or associated services to, or insuring a vessel flagged by, the Democratic People's Republic of Korea.

- Clarification that specialist teaching and training that could contribute to the proliferation-sensitive nuclear activities of the Democratic People's Republic of Korea or the development of nuclear-weapon delivery systems may include, but is not limited to, advanced materials science, advanced chemical engineering, advanced mechanical engineering, advanced electrical engineering and advanced industrial engineering.

- Suspension of scientific and technical cooperation involving persons or groups that are officially sponsored by or represent the Democratic People's Republic of Korea except in the case of medical exchanges. In the field of nuclear science and aerospace technology, exemptions may be granted by the Committee if it has determined, on a case-by-case basis that a particular activity will not contribute to illegal activities. With respect to other fields of technical cooperation, a member State may grant exemptions if it determines that the activity will not contribute to illegal activities, in which case it must notify the Committee in advance.

- Conferral of the power to list vessels to the Committee if the latter has information that provides reasonable grounds to believe that the vessels concerned are involved in illegal activities. The Committee also has the power to impose additional measures in this regard.

- Restriction on the admission to the European Union of members and officials of the Government of the Democratic People's Republic of Korea and members of that country's armed forces who are linked to prohibited activities.

- Limitation on the number of bank accounts held at banks in the European Union to one per diplomatic mission and consular post of the Democratic People's Republic of Korea and one per accredited diplomat and consular officer of that country.

- Prohibition on the use by the Democratic People's Republic of Korea of real property that it owns or leases for any purpose other than diplomatic or consular activities and on the leasing from the Democratic People's Republic of Korea of real property situated outside its territory.

- Prohibition on providing insurance or reinsurance services to vessels owned, controlled or operated, including through illicit means, by the Democratic People's Republic of Korea.

- Prohibition on procuring vessels and aircraft crewing services from the Democratic People's Republic of Korea.

- Obligation to deregister any vessel that is owned, controlled or operated by the Democratic People's Republic of Korea, including a prohibition on registering any such vessel that has been deregistered by another State Member of the United Nations.

- Extension of export prohibitions: establishment of a new regime for the export ban on coal, including a cap on the exemptions relating to total exports to all Member States of the United Nations. Determination of the cap is entrusted to the Committee. The export ban is extended to include new items, namely, statues, new helicopters and vessels, copper, nickel, silver and zinc.

- Financial sector: imposition of an obligation to close existing representative offices, subsidiaries or bank accounts in the Democratic People's Republic of Korea within 90 days, unless approved by the Committee on the grounds that the accounts are required for the delivery of humanitarian assistance or the activities of diplomatic missions.

- Prohibition on providing public and private financial support, including the granting of export credits, guarantees or insurance to nationals of the Democratic People's Republic of Korea involved in such trade.

- Obligation to expel persons who are working on behalf of or at the direction of a bank or financial institution of the Democratic People's Republic of Korea, unless the presence of the person is required for fulfilment of a judicial process or exclusively for medical, safety or humanitarian purposes.

- Obligation to seize and dispose of (such as through destruction, rendering inoperable or unusable, storage or transfer to a State other than the originating or destination State for disposal) items the supply, sale, transfer, or export of which is prohibited under Security Council resolutions 1718 (2006), 1874 (2009), 2087 (2013), 2094 (2013), 2270 (2016) and 2321 (2016) and that are identified through inspections, in a manner that is not inconsistent with the obligations of Member States under applicable Security Council resolutions, including resolution 1540 (2004).

- Possibility for the Committee to grant exemptions to the aforementioned prohibitions, on a case-by-case basis, including when it has determined that an exemption may facilitate the work of international and non-governmental organizations.

As soon as the European legislation was adopted, the Minister for Foreign Affairs of the Netherlands, in cooperation with other ministers concerned, laid down the necessary national provisions in secondary legislation, within the framework of the Sanctions Act 1977 (Sanctiewet 1977). Pending the adoption of the European Union legislation and, subsequently, national secondary legislation, the Netherlands implemented its obligations under the Security Council resolution through its existing national legislation and instruments, namely, border patrols, visas and import/export licences.

The Netherlands also has national legislation, North Korea Sanctions Order 2007 (Sanctieregeling Noord-Korea 2007), which is being brought into line with the latest European Union legislation. This amendment is currently being discussed with the other minsters concerned. The Order, specifically article 1a, prohibits the sale, supply, transfer or export of arms and related material to the Democratic People's Republic of Korea. It also prohibits the provision of brokering services and other services related to military activities.

With regard to restrictions on admissions (visa bans), the Netherlands implements the relevant provisions in accordance with existing national frameworks.

Regarding paragraph 10 of resolution 2321 (2016), in which the Council clarified that, for the purposes of implementing paragraph 17 of resolution 2270 (2016), specialized teaching and training that could contribute to the proliferation-sensitive nuclear activities of the Democratic People's Republic of Korea or to the development of nuclear-weapon delivery systems includes, but is not limited to, advanced materials science, advanced chemical engineering, advanced mechanical engineering, advanced electrical engineering and advanced industrial engineering, as implemented by article 30 of Council Decision (CFSP) 2017/345, the Netherlands is in the process of expanding its North Korea Sanctions Order 2007,

specifically the annex mentioned in article 1b, paragraph 3, to cover relevant subjects taught by universities, in order to bring the Order into line with the new resolution. To ensure its full implementation and raise awareness of it, the competent authorities have initiated consultations with universities and knowledge-sharing institutions.